# GOVERNMENT OF INDIA
# PLANNING
# LOK SABHA

UNSTARRED QUESTION NO:927
ANSWERED ON:22.07.2016
Poverty in India
Nayak Shri B.V.

**Will the Minister of PLANNING be pleased to state:**

Will the Minister of PLANNING be pleased to state:

(a) whether according to a report a little over a quarter of people living in extreme poverty in the world are living in eight Indian States;

(b) if so, the details thereof and the reaction of the Government thereto;

(c) whether the Government has better survey data about the poverty of its citizens, if so, the details thereof and if not, the reasons therefor; and

(d) the manner in which the Government ensures the benefits of various welfare schemes reaching the needy people to improve their living standard?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT &
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION
RAO INDERJIT SINGH

(a) As per Multi-dimensional Poverty Index (MPI) released on 22nd June, 2015 by Oxford Poverty and Human Development Initiative (OPHI), approximately 440 million MPI poor people are living in poorest eight major Indian States out of total 1.6 billion people globally living in multi-dimensional poverty. These States are Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal.

(b) The multi-dimensional poverty headcount ratio is calculated as the ratio of the number of households who are 'multi-dimensionally poor' to the total number of households. A household is defined as multi-dimensionally poor if it is deprived in some combination of two to six 'indicators' (or more than thirty per cent of the weighted indicators) from among a list of ten indicators in the areas of education, health and living standard. The indicators are: (i) Years of Schooling and Child Enrolment in the area of education, (ii) Child Mortality and Nutrition in the area of health, and (iii) Electricity, Sanitation, Drinking Water, Floor space, Cooking Fuel and Assets in the area of living standard.
It is mentioned in the report that the data used by OPHI in case of India belongs to 2005-06 period whereas in case of other countries it is more recent. As the data on malnourishment for India, one of the health indicators used in compiling MPI, is not available after 2005-06, the latest MPI computed by OPHI is for the year 2005-06. Therefore, the MPI for India does not capture the current realities.

(c) The methodology for estimation of poverty followed by the erstwhile Planning Commission was based on the recommendations made by the experts in the field from time to time. These poverty estimates has been computed from the Large Sample Surveys on Household Consumer Expenditure carried out by the National Sample Survey Office (NSSO) of the Ministry of Statistics and Programme Implementation. These surveys are normally conducted on quinquennial basis.The latest data of Large Sample Survey on Household Consumer Expenditure has been collected by NSSO in its 68th round conducted in 2011-12. The poverty lines and poverty ratios for 2011-12 have been computed following the extant Tendulkar methodology and these have been released through a Press Note issued on 22nd July 2013.

(d) The Government is taking various initiatives to ensure that the benefits of welfare schemes actually reach to the intended beneficiaries. It is periodically monitoring the implementation of welfare schemes with the state governments and implementing agencies. A major initiative to ensure that benefits of welfare schemes reach the needy is being considered by Government in the form of JAM Number Trinity − Jan Dhan Yojana, Aadhaar and Mobile numbers. It allows the state to offer support to poor households in a targeted and less distortive manner. The Government has also initiated Direct Benefit Transfer scheme wherein the subsidies are being directly transferred in bank accounts of beneficiaries.

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